



Claire McCaskill

Missouri State Auditor

February 2005

Northwest Fire Protection District

Year Ended December 31, 2003



Office Of The
State Auditor Of Missouri
Claire McCaskill

February 2005

The following problems were discovered as a result of an audit conducted by our office of the Northwest Fire Protection District.

The district does not have a formal bidding policy. The informal policy was to bid all purchases over \$10,000; however, this was not in writing and there were no procedures for lower amounts. As a result, bids were either not solicited or there was no bid documentation for some purchases, including used vehicles. Additionally, the board made payments totaling \$35,621 and \$7,541 during the period January 2003 through August 2004 for insurance and propane, respectively, which were approved by the board in the minutes, but did not appear to be competitively bid. The district did not solicit requests for proposals for professional services and did not enter into written agreements for some of these services. In addition, the district has an informal policy requiring purchase orders for all items; however, approximately 52 percent of invoices tested did not have a purchase order and receipt of goods or services was not indicated on 18 of 22 items received. The district also did not maintain adequate documentation to support \$3,213 paid to the volunteer fire fighters for calls during 2003.

The district's fire chief is the husband of one of the board members. The board meeting minutes do not indicate that this board member abstained from the votes regarding the appointment of her husband or the approving of his salary.

Both the deputy fire chief and assistant fire chief own businesses that are vendors of the district. Their services were not competitively bid by the board. To help prevent the appearance of, or actual conflicts of interest, the board should solicit bids for the services these business provide.

Several problems were noted regarding two grants totaling \$96,984, received under the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant Program. In 2003 and 2004, the district claimed more than was spent on approved items and used the additional monies to purchase items not approved in the grant application. Additional items include three computers, five heat/motion detectors and a palm pilot. None of these additional items were approved by FEMA, and the three additional computers and the palm pilot are not currently being used for training. Other problems include the district failing to file the final grant report for the grant received in 2003, and that items purchased with the FEMA grants were not bid as required by the grant agreement.

(over)

YELLOW SHEET

The district does not have a written policy documenting appropriate vehicle use and logs maintained are not complete and do not always note required information.

In 2003, the board bought back its used fire truck, which had been wrecked and totaled out by the insurance company, for \$700 with the plan to repair the truck. Apparently, it was decided to not make the repairs and to sell the truck. The board advertised for sealed bids with a minimum bid requirement of \$750; however, no bids meeting the minimum requirement were received by the required date. More than 30 days after the bid closing, a written offer of \$300 was received and accepted by the Board. The rationale and decisions concerning such transactions should be completely documented.

The district did not maintain copies of certifications of the current EMTs listed on the district's roster. According to state records, only three of the four EMTs noted on the roster were currently certified with the state. In addition, training records of firefighters are not maintained, and the district did not have a permanent medical director, in violation of state regulations.

Also included in the report are recommendations related to IRS form 1099 reporting, budgetary practices and financial statements, minutes and by-laws, fixed assets, and district elections.

All reports are available on our website: www.auditor.mo.gov

NORTHWEST FIRE PROTECTION DISTRICT

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

To the Board of Directors and Fire Chief
Northwest Fire Protection District
P. O. Box 128
Climax Springs, MO 65324

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Northwest Fire Protection District. The district engaged Evers and Company, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended December 31, 2003. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit of the district included, but was not necessarily limited to, the year ended December 31, 2003. The objectives of this audit were to:

1. Perform procedures to evaluate the petitioners' concerns.
2. Review internal controls over significant management and financial functions.
3. Review compliance with certain legal provisions.

To accomplish these objectives, we reviewed minutes of meetings, written policies, financial records, and other pertinent documents; interviewed various personnel of the district, as well as certain external parties; and tested selected transactions. Our methodology included, but was not necessarily limited to, the following:

1. We obtained an understanding of petitioner concerns and performed various procedures to determine their validity and significance.
2. We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.
3. We obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide

reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in the audit of the district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Northwest Fire Protection District.



Claire McCaskill
State Auditor

October 8, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA
Audit Manager: Alice M. Fast, CPA
In-Charge Auditor: Heather M. Thompson, CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

NORTHWEST FIRE PROTECTION DISTRICT
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Disbursements
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Controls and procedures over district disbursements need improvement. Bids and requests for proposals were not always solicited or documented. In addition, written contracts were not always prepared specifying the arrangements between applicable parties and Forms 1099-MISC were not prepared, as required. Payments were made without adequate supporting documentation and without acknowledgement of receipt of goods or services. In addition, the district does not have a formal purchasing policy.

- A. The district does not have a formal bidding policy. District officials indicated their informal policy was to bid all purchases over \$10,000; however, this was not in writing and there were no procedures for lower amounts. As a result, the decision of whether to solicit bids for a particular purchase less than \$10,000 is made on an item-by-item basis. Bids were either not solicited or there was no bid documentation for some purchases.

Used fire boat	\$ 26,000
Used brush truck	6,350
Pump for fire truck	5,000
Used fire truck	5,000
Boat motor	4,000

In addition, the board made payments totaling \$35,621 and \$7,541 during the period of January 2003 through August 2004 for insurance and propane, respectively. Although these items were approved by the board in the minutes, it does not appear that they were competitively bid.

Although not required by law, formal bidding procedures for major purchases provide a framework for economical management of district resources and help ensure the district receives fair value by contracting with the lowest and best bidders. A policy should be established outlining the various levels of bidding. Competitive bidding helps ensure all parties are given an opportunity to participate in the district's business. Bids can be handled by telephone quotation, by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

- B. The district did not solicit requests for proposals for professional services. In addition, the district did not enter into written agreements for some of these services. The district paid \$1,943 from January 2003 through August 2004 for

attorney services at a rate of \$175 per hour, and paid \$1,322 for the same time period for accounting services at \$15 per hour. In addition, the district paid \$4,500 in 2004 to an independent accounting firm to have a financial audit performed without soliciting requests for proposals.

Soliciting proposals for professional services helps provide a range of possible choices and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified vendor at the lowest and best cost. In addition, written contracts, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities, and to prevent misunderstandings. In addition, Section 432.070, RSMo 2000, requires contracts for political subdivisions to be in writing.

- C. The district does not have a policy to track payments which may require preparation of Internal Revenue Service (IRS) Form 1099-MISC. As a result, during 2003, the district failed to prepare these forms for an individual paid \$1,745 for lawn work and for an auto repair shop paid \$3,460. Sections 6041 through 6051 of the Internal Revenue Code require nonemployee payments of at least \$600 in one year to an individual or unincorporated business be reported to the federal government on Forms 1099-MISC. The district should track these payments to ensure IRS Forms 1099-MISC are prepared, as required. See MAR 2 for further discussion regarding these transactions.
- D. The district did not maintain adequate documentation to support the \$3,213 paid to the volunteer fire fighters for calls during 2003. The fire chief prepares a spreadsheet which tracks the number of calls made by each fireman per month. At the end of the year, the calls are totaled and each fireman receives \$3 per call to cover their mileage costs. However, some of the amounts noted on the spreadsheet prepared by the fire chief did not agree to the amounts disbursed to the firemen in 2003. The total amount paid by the district was \$201 greater than the amount recorded. The district could not explain why the amounts did not agree.

Disbursements to fire fighters for calls should be supported by adequate documentation to ensure the amounts paid agree to the amounts due.

- E. Although the district does not have a formal written purchasing policy, the district does have an informal policy requiring purchase orders for all items. The purchase orders can be prepared by the fire chief or any board member. All purchases over \$500 are to be approved by the Board of Directors. In addition, the fire chief and/or an individual board member can make purchases less than \$500 in emergency situations without a purchase order or approval of the Board. Our review noted 12 out of 23 (approximately 52 percent) invoices did not have a purchase order. In addition, all 12 of these purchases were for over \$500 and four

did not have any indication of board approval. To ensure accurate amounts are paid and that all disbursements are authorized, the Board should require purchase orders in accordance with district practice.

- F. Receipt of goods or services is not always indicated on invoices prior to payment. Of the 22 invoices tested, 18 (approximately 82 percent) did not indicate if the goods or services were received. For example, receipt of goods and services was not documented on invoices for medical supplies, lawn services, legal services, and auto and radio repairs. To help ensure goods or services were actually received by the district, all invoices should be reviewed prior to payment and initialed by applicable employees indicating receipt of goods or services.

WE RECOMMEND the Board of Directors:

- A. Establish a formal bidding policy and related procedures. Complete documentation of the bidding process should be maintained, including all bids received and justification for selecting and rejecting bids.
- B. Adopt a policy addressing the selection of all professional services and periodically solicit proposals for the selection of these service providers. All documentation regarding proposals solicited should be retained. In addition, the district should enter into written contracts with all applicable parties which clearly define the work to be performed and the compensation to be paid or benefits to be received.
- C. Ensure payments which may require an IRS Form 1099-MISC are tracked and those payments totaling greater than \$600 to nonemployees and unincorporated businesses are properly reported to the IRS.
- D. Ensure payments made to firefighters for calls are supported by adequate documentation.
- E. Adopt a formal written policy regarding purchase orders and ensure purchase orders are prepared for all purchases in accordance with the policy.
- F. Ensure the receipt of goods or services is indicated on invoices prior to being approved for payment.

AUDITEE'S RESPONSE

- A. *A formal bidding policy and related procedures will be implemented by June 1, 2005.*
- B. *A policy will be adopted and implemented by June 1, 2005 addressing the selection of all professional services.*

- C. *A policy has already been implemented by our accounting firm to obtain proper forms for the IRS.*
- D. *We will ensure that proper documentation is kept in the future to support payments to firefighters for calls.*
- E. *A formal written policy regarding purchase orders will be in place by March 1, 2005.*
- F. *A procedure has already been implemented to ensure receipt of goods/services are indicated on invoices prior to being approved for payment.*

2.	Nepotism and Related Party Transactions
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The wife of the fire chief serves on the Board of Directors. In addition, the Board of Directors approves purchases from businesses owned by related parties, which may represent potential conflicts of interest.

- A. The district's fire chief is the husband of one of the board members. The March 12, 2001, board meeting minutes indicate the board voted unanimously for the appointment of her husband as fire chief and there was no indication that she abstained from voting. In addition, the May 8, 2001 board meeting minutes indicate the board voted to pay the chief a stipend of \$400 per month. There was also no indication that the board member abstained from approving the salary of her husband.

Article VII, Section 6, of the Missouri Constitution provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. In addition, because of the serious consequences which result by hiring or appointing a relative, the Board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the board minutes.

- B. Some of the district's fire fighters own businesses that are vendors of the district. The deputy fire chief, who owns a lawn and home business that mows the lawns and performs other grounds work for the district, was paid \$3,195 for these services from January 2003 through August 2004. In addition, the district paid \$3,509 during the same time period for vehicle maintenance and repair services to a business owned by the assistant fire chief. These services were not competitively bid by the board.

Good business practice prohibits individuals involved with any political subdivision, from performing a service for the political subdivision unless the transaction is made by competitive bidding and the lowest bid is accepted. To help prevent actual conflicts of interest or the appearance of conflict of interest, the board should solicit bids for these services.

WE RECOMMEND the Board of Directors:

- A. Ensure board members abstain from voting when a relative's employment or appointment is involved.
- B. Ensure purchases from companies owned by district officials or employees be made by competitive bidding as required by state law. Such matters should be completely documented so the public has assurance that no district official or employee has acted improperly.

AUDITEE'S RESPONSE

- A. *The previous March 12, 2001 minutes, regarding the appointment of Terry Walker to Fire Chief did not reflect that board member, Jenny Walker, abstained from this vote. Also, the May 8, 2001 board meeting where the board voted to pay Chief Walker a stipend of \$400 a month, did not reflect that board member, Jenny Walker, abstained from this vote. A letter from the previous Chairman and Vice-Chairman will be notarized and placed in the future board meeting minutes reflecting that she had abstained from the votes. The previous board meeting minutes will also be changed to reflect this change.*
- B. *A policy will be implemented by June 1, 2005 to receive competitive bids for these services.*

3. Budgetary Practices and Financial Statements
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The annual budgets approved by the Board of Directors do not include all the necessary information as required by state law. In addition, the district has not properly filed annual financial reports or audits with the State Auditor's Office.

- A. The budgets approved by the board do not include all required and necessary information as follows:
 - 1) The district budgets do not include a budget message, the beginning cash balance or the projected ending cash balance for district funds.
 - 2) The budgets do not include a comparative statement of actual or estimated receipts and disbursements for the two previous years. Amounts for the two previous years provide comparative information to help evaluate the reasonableness of the budget estimates for the upcoming year.

Section 67.010, RSMo 2000, requires each political subdivision of the state to prepare an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area.

A complete budget should include appropriate receipt and disbursement estimations by classification, and include the beginning available resources and reasonable estimates of the ending available resources of all funds. The budget should also include a budget message and comparisons of actual receipts and disbursements for the two preceding years.

- B. The district obtained an annual audit for the year ended December 31, 2003; however, the audit report was not submitted to the State Auditor's office by July 1, 2004. In addition, the district filed the annual financial report for the year ended December 31, 2002 in March 2004. The financial report is to be filed within four months after the end of the district's fiscal year. If an audit is performed, the district has six months to file the audited financial report. The district should ensure annual financial reports or audit reports are filed with the State Auditor's office in accordance with Sections 105.145, RSMo 2000.

WE RECOMMEND the Board of Directors:

- A. Ensure the annual budgets contain all required and necessary information, including a budget message, the beginning and projected ending cash balances, and a comparative statement of actual receipts and disbursements for the two previous years.
- B. Ensure annual financial reports or audit reports are filed in accordance with state law.

AUDITEE'S RESPONSE

- A. *This has been corrected in the 2005 budget.*
- B. *This is being implemented by the accounting firm.*

4. Federal and State Grants

Several problems were noted in our review of grants received by the fire district. The district was overpaid more than \$20,000 in grant receipts. In addition, the district failed to file a final report on one grant, did not competitively purchase items as required by the grants, and did not properly maintain all grant documentation.

The fire district received two grants under the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant program. The federal portion of the grants totaled \$41,103 and \$55,881 in 2004 and 2003, respectively. These grants were awarded to purchase various items for training and equipping the firefighters and required a ten percent local match. Several problems were noted in our review of these grants.

- A. The district was overpaid more than \$20,000 in grant receipts. The district claimed more than they spent on approved items and also purchased items not approved in the grant application.

In 2004, the district reported to the FEMA that the entire grant amount was spent on the 15 self contained breathing apparatus approved by the FEMA. However, the district was able to purchase the approved items for \$9,350 less than the budgeted amount. The district then purchased 21 spare tanks with the additional funds available; however, the purchase of these tanks was not approved by the FEMA.

In 2003, the district reported to the FEMA that the grant was spent on training videos and software, two computers and a computer projector for use in training, 35 sets of turnout gear, and ten heat/motion detectors as approved by the FEMA. However, the district was able to purchase the approved items for \$13,179 less than the budgeted amount. The district then purchased three additional computers (\$1,494), five additional heat/motion detectors (\$975), and a palm pilot (\$300) with the additional funds available. The chief indicated they planned to purchase a VHS recorder, large screen television, and other miscellaneous items with the remaining money; however, these items have not yet been purchased. None of these additional items were approved by FEMA. In addition, the three additional computers and the palm pilot are not currently being used for training.

While a FEMA representative stated that any changes to the approved budget items must be approved by the FEMA, there was no documentation of any such approvals at the district.

- B. The district failed to file the final grant report for the grant received in 2003, which was due by March 31, 2004. By not filing this report, the district has placed the entire grant amount at risk. FEMA officials indicated that no report had been filed and possible action in retrieving the federal funds could result.
- C. Items purchased with the FEMA grants were not bid as required by the grant agreement. FEMA guidelines indicate if the district has no established bidding procedures (see MAR 1), the district should obtain at least two quotes/bids for the items purchased with the grant funds. In addition, all bid documentation should be included in the grant files. We saw no documentation of price quotes or competitive purchasing. Lack of competitive purchasing places the entire grant amount of \$96,984 at risk.
- D. The district's grant files were incomplete. The FEMA grant files did not include the grant agreements or required reporting. In addition, the district received a grant totaling \$1,511 from the Missouri Department of Conservation (MDC) to purchase brush fire fighting equipment; however, the MDC grant file did not include the grant agreement, application, or any required reporting. Such

documentation should be maintained to comply with grant requirements. In addition, we saw no documentation that the board approved the applications for these grants.

WE RECOMMEND the Board of Directors:

- A. Contact the FEMA to resolve the overpayment and other questioned costs. In the future, the district should restrict purchases to only those items approved in the grant agreement or formally approved by the FEMA.
- B. File grant reports on a timely basis.
- C. Competitively bid all items purchased with FEMA funds as required by the grant.
- D. Maintain all required documentation in grant files. In addition, the Board should approve all grant applications.

AUDITEE'S RESPONSE

- A. *Chief Walker has been in touch with FEMA to discuss the alleged overpayment and other costs. He will be receiving the approval from FEMA and other paperwork to support these questions. He will fax them to the Auditor's office as soon as he receives them.*
- B. *The reports have been sent to FEMA and in the future the Board will be responsible for seeing that these reports have been filed in a timely manner.*
- C. *Future bids will be received and documented as required by the grant. Bids had been received but were not documented.*
- D. *The Board will implement a paper trail in the future. In the future, grant applications will be approved by motion in the board minutes.*

5.

Minutes and Bylaws

The Board of Directors has not established bylaws. In addition, a review of the board meeting minutes noted concerns regarding the Sunshine Law.

- A. The Board of Directors has not developed bylaws. Good business practice dictates the district adopt bylaws to govern board elections, meetings, and rules for transacting district business. Bylaws can be used as a management tool for establishing district policies and procedures. The bylaws should be updated on a regular basis and should comply with applicable laws and regulations. Bylaws should include policies relating to bidding, purchasing, conflicts of interest, and vehicle usage, as noted in this report.

B. A review of closed meetings noted the following concerns:

- 1) The district did not document how some items discussed in closed session complied with state law. These items included use of district vehicles, citizen concerns, and building an addition to station one.

Section 610.021, RSMo 2004, allows the board to discuss certain subjects in closed meetings, including litigation, real estate transactions, bid specifications and sealed bids, personnel matters, and confidential or privileged communications with auditors. The board should restrict the discussion in closed sessions to the specific topics listed in Chapter 610 of the state statutes.

- 2) Open meeting minutes did not always document all items required by the Sunshine Law including the related vote to close the meeting, the specific reasons for closing the meeting and actions taken by the board in closed meetings.

Section 610.022, RSMo 2004, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session. In addition, this law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo 2004, requires certain matters discussed in closed meetings to be made public upon final disposition.

WE RECOMMEND the Board of Directors:

- A. Adopt written bylaws to govern district business.
- B.1. Ensure only allowable, specified subjects are discussed in closed session.
 2. Ensure minutes document the vote to go into closed session, state the reasons for going into closed session and publicly disclose the final disposition of applicable matters discussed in closed session.

AUDITEE'S RESPONSE

- A. *The Board will develop bylaws and policies by June 1, 2005.*
- B. *The Board will strive to comply with the Sunshine Law for closed sessions in the future.*

The Board of Directors does not maintain a current listing of fixed assets and does not perform annual inventories of assets owned by the district. In addition, the Board of Directors does not have adequate control over district vehicles. The Board did not ensure the best price was obtained for the sale of a used fire truck.

- A. The district does not maintain a current listing of fixed assets owned. The last fixed asset listing was updated in 1999. In addition, the district does not perform physical inventories and does not tag or otherwise identify the fixed assets as property of the district.

Property records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur. Additions should be reconciled to purchases annually. Complete and accurate fixed asset records are necessary to ensure better internal control over district property and provide a basis for determining proper insurance coverage required on district property. Physical inventories are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. In addition, all property items should be identified with a tag or similar device.

- B. At the June 2003 Board of Director's meeting, citizens questioned why employees were using the district's vehicles for personal use. The Board indicated two employees, the fire chief and assistant fire chief, were assigned district vehicles. They were allowed to take the vehicles to and from work since both were certified emergency medical technicians and first responders and they could respond to the scene of an incident in a timely manner; however, the vehicles were not supposed to be used for personal reasons. Though discussed during the meeting that these employees were only permitted to drive vehicles to and from work and not for personal reasons, there is no written policy documenting appropriate vehicle use.

In addition, the district did not maintain usage logs for the district vehicles prior to the June 2003 meeting. From January 2003 through June 2003, the district paid \$2,777 for gasoline for the district vehicles; however, after the June meeting, the gasoline purchases totaled only \$1,463 for the following six months. From January 2004 through June 2004, although the number of calls was greater than the same time period in the previous year, the district paid only \$1,040 for gasoline for district vehicles. Although vehicle usage has decreased significantly, controls could still be improved.

The district began completing usage logs for vehicles after June 2003; however, the logs are not complete and do not always note the required information

including date, destination, purpose, starting and ending odometer reading, and the amount of fuel purchased in gallons.

Logs are necessary to document appropriate use of the vehicles and to support gasoline charges. A usage log should indicate the person using the vehicle/equipment, the date, destination, purpose, starting and ending odometer reading, and the amount of fuel purchased in gallons. Without adequate vehicle logs, the board cannot effectively monitor that vehicles are used for official business only. These logs should be reviewed by the board to ensure all mileage is recorded and the vehicles are being properly utilized. Information on the logs should be reconciled to fuel purchases on a monthly basis.

- C. The Board did not ensure the best price was obtained for the sale of a used fire truck in 2003. The truck had been wrecked and the insurance company had "totaled it out" and paid the district \$6,900 in January 2003. The district bought the truck back from the insurance company for \$700 and planned to repair the truck. Apparently, after some discussion, no repairs were made and the Board decided to sell the truck and advertised for sealed bids with a minimum bid requirement of \$750 to recover their cost. However, no bids meeting the minimum requirement were received by the required date. More than 30 days after the bid closing date, a written offer of \$300 was received and accepted by the Board.

The Board had no assurance that the amount accepted was the best price for this truck. Not selling equipment in accordance with set criteria may give the appearance of unfair treatment, and rationale and decisions concerning such transactions should be completely documented.

WE RECOMMEND the Board of Directors:

- A. Establish property records for general fixed assets that include all pertinent information for each asset, such as tag number, description, serial number (if applicable), cost, acquisition date, fund of acquisition, location, and subsequent transactions. Additionally, the district should properly tag, number, or otherwise identify all district property and conduct periodic physical inventories.
- B. Require complete and accurate mileage/use logs be maintained. The Board of Directors should also establish a formal written policy documenting appropriate use of district owned vehicles and review the logs periodically to ensure compliance with the policy.
- C. Ensure the best offer is obtained for the sale of used equipment and that adequate documentation is available to support the decisions made.

AUDITEE'S RESPONSE

- A. *The Board will implement records for fixed assets, as recommended by the Auditors, and will have this in force by June 1, 2005.*
- B. *The Board has a procedure in force for mileage/use logs. The Board will review this procedure and establish a policy, as recommended by the Auditors, by June 1, 2005.*
- C. *This will be handled as recommended by the Auditors for the sale of used equipment and adequate documentation will be available to support decisions made.*

7. Training and Certifications

The Board of Directors does not maintain adequate documentation of emergency medical technician (EMT) certifications or fire fighter training records. In addition, the district currently does not have a permanent medical director.

- A. The district did not maintain copies of certifications for the current EMTs listed on the district's roster. According to state records, only three of the four EMTs noted on the roster were currently certified with the state. Although listed as an EMT on rosters dating back to October 2003, the fourth individual indicated she took the examination in August 2004 and had not yet received her actual certification. Without adequate documentation, the Board of Directors cannot be assured clients are being served by certified personnel.
- B. Training records are not maintained by the district. The district's Standard Operating Guidelines require fire fighters to attend no less than 25 percent of the regularly scheduled training meetings per month and accumulate a total of no less than forty-eight hours of department training each year. However, there is no record of the training provided by the district. A record of each class offered, date, number of training hours per class, and persons attending would help the Board of Directors ensure compliance with district policy. In addition, the records should be reviewed periodically by the Board of Directors to ensure fire fighters are meeting district requirements.
- C. The district does not have a permanent medical director. In addition, the prior medical director used by the district was not properly licensed as her medical license had been revoked by the state. During April 2004, the Board of Directors contacted a certified physician to be a temporary medical director for the district. As of September 30, 2004, the Board of Directors still had not obtained a permanent medical director.

19 CSR 30-40.303 requires emergency medical response agencies that provide basic life support services have a medical director who is licensed as a doctor of medicine or a doctor of osteopathy by the Missouri State Board of Registration

for the Healing Arts and can demonstrate current course completion or certification in advanced cardiac life support and pediatric advanced life support, or can document equivalent education in cardiac care and pediatric care within the past five years.

WE RECOMMEND the Board of Directors:

- A. Ensure the district maintains copies of licenses and an up-to-date listing for certified emergency medical technicians.
- B. Maintain adequate training records and review the training records periodically to ensure compliance with district policy.
- C. Obtain a certified medical director as required by state regulations.

AUDITEE'S RESPONSE

- A. *Copies will be on file by March 1, 2005 and will be kept up-to-date for certified emergency medical technicians in the future.*
- B. *A training officer has been appointed and has been given the responsibility of keeping these records up-to-date and ensuring compliance with district policy.*
- C. *The Board now has a permanent Medical Director, Dr. Looney. A training program has been set up through St. Johns Ambulance Service per Dr. Looney's request. The first class will be held January 25, 2005 at NWFPD Station 1. The training will continue one night a month and will be handled by St. Johns Ambulance Service's certified instructor.*

8. District Elections

The information published in the newspaper regarding the April 2004 election was not accurate. The members of the Board of Directors have not always served the appropriate terms as required by state law.

- A. The district published a public notice of the open positions on the Board of Directors ten weeks prior to the election in April 2004, as required by state law. The information included in the advertisement was not accurate. The notice indicated three positions were open on the Board of Directors, two positions for six year terms and one position for a three year term. However, there were actually four positions open on the Board of Directors, two for six year terms, one for a four year term, and one for a two year term.

Section 115.127.5, RSMo 2000, requires political subdivisions and special districts calling elections to notify the general public of the opening filing date, the office or offices to be filled, the proper place for filing and the closing filing date

of the election. Because of the errors in the election notice, the citizens and possible candidates were not properly informed regarding the positions open for election.

- B. In the past, the terms for members of the Board of Directors were not correctly established, as required by state law, and Board members did not serve their full six year terms. The Board has attempted to fix this situation; however, one position is still not on the correct term rotation. In April 1996, a board member was elected and instead of serving the entire six year term, the individual served only four years. In April 2000, a new board member was elected to this position for a six year term, causing this position to not be in the correct term rotation.

The Board should consult with their legal counsel to properly correct this situation. Section 321.120, RSMo 2000, provides that members of the board shall be elected to serve terms of six years and until their successors are duly elected and qualified.

WE RECOMMEND the Board of Directors:

- A. Ensure accurate information is included in the public notice for upcoming elections.
- B. Consult with their legal counsel and ensure all positions on the Board of Directors serve the appropriate terms as required by state law.

AUDITEE'S RESPONSE

- A. *The Board will ensure that accurate information is included in the public notice for upcoming elections.*
- B. *The District Attorney, Dave Welch, has been consulted and is presently ensuring that all positions on the Board of Directors serve the appropriate terms as required by state law.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

NORTHWEST FIRE PROTECTION DISTRICT
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Northwest Fire Protection District is located in Camden, Benton, and Hickory Counties. The district was incorporated in 1993 and is a volunteer district. The district provides emergency services to a geographical area of approximately 158 square miles.

The district government consists of a five member board of directors. The members are elected for 6-year terms. The members of the Board of Directors receive no compensation.

Board of Directors	Dates of Service During the Year Ended December 31, 2003
Tom Wolfe, Chairman (1)	January 2003 – September 2003
Gary Jones, Vice Chairman (2)	January 2003 – December 2003
Leo Heidebrecht, Secretary (3)	January 2003 – December 2003
Linda McGill, Treasurer (4)	January 2003 – November 2003
Jennifer Walker	January 2003 – December 2003
Steve Bailey (5)	October 2003 – December 2003

Other Principal Officials	Dates of Service During the Year Ended December 31, 2003	Compensation Paid for the Year Ended December 31, 2003
Terry Walker, Fire Chief	January 2003 – December 2003	\$ 4,800

- (1) Resigned in September 2003 and Steve Bailey was appointed to the board.
- (2) Gary Jones served as Chairman from October 2003 until April 2004. There was no Vice Chairman from October 2003 to April 2004. In April 2004, Lee Narans was elected to the board and became the Chairman.
- (3) Jim Clowes was elected to the board in April 2004 and named Vice Chairman.
- (4) This board position was not filled until January 2004 when Lee Narans was appointed to the board. In April 2004, Linda Clemons was elected to the board and named Secretary.
- (5) In April 2004, Darlene Niehaus was elected to the board and was named Treasurer.

In addition to the officials identified above, the district had 35 volunteer firefighters at December 31, 2003.

Assessed valuations and tax rates for 2004 and 2003 were as follows:

ASSESSED VALUATIONS	2004	2003
Real estate	\$ 36,557,677	\$ 34,978,346
Personal property	7,043,820	6,450,610
Total	<u>\$ 43,601,497</u>	<u>41,428,956</u>

TAX RATE PER \$100 ASSESSED VALUATION	2004 Rate	2003 Rate
General Fund	<u>\$.2828</u>	<u>\$.2828</u>